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EXAMINER

MCALLISTER, STEVEN B

ART UNIT PAPER NUMBER

3627

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Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.  
**09/710,443**

Applicant(s)  
**Gryglewicz et al**

Examiner  
**Steven McAllister**

Art Unit  
**3627**



-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on Sep 20, 2002.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-67 is/are pending in the application.
- 4a) Of the above, claim(s) 1-11, 22-42, and 50-67 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 12-21, 43-47, and 49 is/are rejected.
- 7) ☒ Claim(s) 48 is/are objected to.
- 8) ☐ Claims \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on Nov 10, 2000 is/are a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some\* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s). 8
- 4) ☒ Interview Summary (PTO-413) Paper No(s). 8 *SPM*
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

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## **DETAILED ACTION**

### ***Election/Restriction***

1. Newly submitted claims 50-67 are directed to an invention that is independent or distinct from the invention originally claimed for the following reasons: Invention I (claims 12-21 and 43-49) and Invention II (claims 50-67) are related as process and apparatus for its practice. The inventions are distinct if it can be shown that either: (1) the process as claimed can be practiced by another materially different apparatus or by hand, or (2) the apparatus as claimed can be used to practice another and materially different process. (MPEP § 806.05(e)). In this case the process can be performed by a substantially different apparatus. The process can be performed by a computer linked only to the two merchants and capable of calculating taxes without being connected to or having the ability to communicate with the merchants' banks or taxing authorities.

Since applicant has received an action on the merits for the originally presented invention, this invention has been constructively elected by original presentation for prosecution on the merits. Accordingly, claims 50-67 are withdrawn from consideration as being directed to a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03.

2. This application contains claims 1-11 and 22-42 drawn to an invention nonelected in Paper No. 6. A complete reply to the final rejection must include cancellation of nonelected claims or other appropriate action (37 CFR 1.144) See MPEP § 821.01.

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***Drawings***

3. The drawings are objected to under 37 CFR 1.83(a). The drawings must show every feature of the invention specified in the claims. Therefore, the that the main tax gateway comprises a controlling subsystem and a memory subsystem (cl. 13); that the controlling subsystem includes a merchant related data store (cl. 14) must be shown or the feature(s) canceled from the claim(s). No new matter should be entered.

A proposed drawing correction or corrected drawings are required in reply to the Office action to avoid abandonment of the application. The objection to the drawings will not be held in abeyance.

***Claim Rejections - 35 USC § 112***

4. Claim 14 is rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Claim 14 recites a controlling subsystem of the main gateway including "a merchant related data store". As best understood, the specification does not show controlling subsystem having such a data store. While no division of the gateway between a controlling subsystem and memory subsystem is explicitly disclosed in the specification or the figures, it is assumed to be enabled since any computer has these components. However, exactly what

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elements are in each subsystem is not spelled out in the specification. As support for the claimed text, the application points to Fig. 8; p. 30, lns. 15-18; and p.33, lns. 8-12. However, a review of this text and figure (as well as a review of the specification generally) does not show the merchant related store in the control subsystem. It shows control elements such as elements 256 and 444 accessing the merchant database 456. However, as best understood and to be consistent with claim 13, this database is in the memory subsystem.

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. Claims 13-21 and 44 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The claims 13-21 do not positively recite what is being claimed. The preamble read "In a system, as claimed in Claim 12". In examining the claims, it was read as "The control system, as claimed in Claim 12". Additionally, claims 43-49 are objected to because the preamble is inconsistent. In examining those claims, the preamble was also read as above.

Claim 44 is indefinite because depends from itself. In examining the claim, it was assumed to depend from claim 43.

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***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 12-17, 20, 21, 43, 45-47 and 49 are rejected under 35 U.S.C. 103(a) as being unpatentable over Golden et al (5774872) in view of Francisco et al (5799283) and TaxNet Systems Proposal.

Golden et al show a control system 12, 30 capable of communicating with merchant computers 14,16, merchant bank computers 39, and tax authority computers 38 (see abstract). It further shows storing debit information for debiting merchant banks, credit information for providing credits to the taxing authorities, merchant information, and tax authority information. It also shows receiving transaction data about a taxable transaction for a plurality of merchants including first transaction information received from a first merchant computer (col. 3, lns. 19-30). It further shows debiting a merchant bank and crediting a tax authority to pay the merchant's tax (Fig. 1; col. 5, lines 7-12) and providing reports (col. 7, lns. 35-40). Golden et al do not show that the transaction information is related to an ecommerce purchase; that the first transaction information is sent at the same time as the first transaction; or that the first tax amount is for the first transaction. Francisco et al show first transaction data sent immediately

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to a tax system and first tax amount transferred for the first transaction (see abstract, col. 6, lns. 15-21). It would have been obvious to one of ordinary skill in the art to modify the system of Golden et al by immediately sending the transaction data and a first tax amount to minimize the chance of the data being lost due to a crash of the merchant computer. The TaxNet Proposal shows tax processing in an ecommerce environment. It would have been obvious to one of ordinary skill in the art to further modify the system of Golden et al by using it in an ecommerce environment in order to allow easy capture of use taxes in the multi-jurisdictional environment of the internet.

As to claims 13 and 21, it is noted that Golden et al show main tax gateway 12 and a plurality of distributed tax gateways 30 (see Fig. 2) in communication with the main gateway. The main tax gateway has a controlling subsystem comprising processing circuits and memory subsystems comprising RAM and hard drive since the gateway is a computer. It is inherent that the stored information would be stored in the memory subsystem since that is how a computer maintains data.

As to claim 14, it is inherent that the controlling system of the tax gateway would access a merchant related data store having merchant bank information for each merchant's respective bank since the system performs debits from the merchants' banks (col. 5, lines 7-12) to pay the merchants' taxes and such information must be accessed to perform the debits.

As to claim 15, intended use only is recited. No further limitations are positively claimed.

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As to claim 16, it is noted that Golden et al show a distributed tax gateway with a controlling subsystem (since it is a computer) in which the first merchant computer calculates the first tax amount.

As to claim 17, it is noted that Francisco et al and the Tax Net proposal show communication networks including the internet.

As to claim 20, the main tax gateway inherently stores the claimed information since it is necessary for the server to initiate communication with the tax authority designated computers and to know which bank to debit tax payments from

As to claim 43, the system of Golden et al can automatically transfer funds from the merchant's bank to the taxing authority bank (col. 7, lines 45-52). Therefore it is inherent that Golden et al has a controlling subsystem with a tax management system capable of carrying out such transfers.

As to claim 45, Golden et al in view of Francisco et al and the TaxNet proposal show a network interface for receiving a request for determining tax on a first transaction and for responding to the merchant (see third party tax calculating as in TaxNet proposal (p. 2, p. 3 "Tax Computation Software").

As to claim 46, it is noted that the control system of Golden et al in view of Francisco et al and the TaxNet proposal as discussed regarding claim 45 includes a merchant interaction control system since an automated interaction with the merchant computer is taking place and it is necessary to have such a subsystem to control it. Particularly, the TaxNet proposal shows that



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such a system is in communication with a tax computing engine since the communication with the merchant computer results in a tax computation by the controller. It is further noted that the "for ..." clause is interpreted as intended use only.

As to claim 47, Golden et al in view of Francisco et al and the TaxNet proposal inherently show that the control system has one or more business rules since a determination of whether to charge a sales or use tax is based on such a business rule (e.g., "charge for all transactions" or "charge only where the business has a nexus").

As to claim 49, it is noted that system receives first transaction information without requesting it from the merchant computer (see Francisco et al).

9. Claims 12, 13, 18, 19 and 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Golden et al (5774872) in view of Francisco et al (5799283) and Todd (6463418).

Golden et al show a control system 12, 30 capable of communicating with merchant computers 14,16, merchant bank computers 39, and tax authority computers 38 (see abstract). It further shows storing debit information for debiting merchant banks, credit information for providing credits to the taxing authorities, merchant information, and tax authority information. It also shows receiving transaction data about a taxable transaction for a plurality of merchants including first transaction information received from a first merchant computer (col. 3, lns. 19-30). It further shows debiting a merchant bank and crediting a tax authority to pay the merchant's tax (Fig. 1; col. 5, lines 7-12) and providing reports (col. 7, lns. 35-40). Golden et al

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do not show that the transaction information is related to an ecommerce purchase; that the first transaction information is sent at the same time as the first transaction; or that the first tax amount is for the first transaction. Francisco et al show first transaction data sent immediately to a tax system and first tax amount transferred for the first transaction (see abstract, col. 6, lns. 15-21). It would have been obvious to one of ordinary skill in the art to modify the system of Golden et al by immediately sending the transaction data and a first tax amount to minimize the chance of the data being lost due to a crash of the merchant computer. Todd shows a transaction in an ecommerce environment. It would have been obvious to one of ordinary skill in the art to further modify the system of Golden et al by using it in an ecommerce environment as taught by Todd in order to allow easy capture of use taxes in the multi-jurisdictional environment of the internet.

As to claims 13 and 21, it is noted that Golden et al show main tax gateway 12 and a plurality of distributed tax gateways 30 (see Fig. 2) in communication with the main gateway. The main tax gateway has a controlling subsystem comprising processing circuits and memory subsystems comprising RAM and hard drive since the gateway is a computer. It is inherent that the stored information would be stored in the memory subsystem since that is how a computer maintains data.

As to claims 18 and 19 Golden et al in view of Francisco et al and Todd show all elements of the claims including storing authentication and verification information (see Todd).

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10. Claims 12, 13, 21, 43 and 44 are rejected under 35 U.S.C. 103(a) as being unpatentable over Golden et al (5774872) in view of Francisco et al (5799283) and Fulton et al (6,182,052)

Golden et al show a control system 12, 30 capable of communicating with merchant computers 14,16, merchant bank computers 39, and tax authority computers 38 (see abstract). It further shows storing debit information for debiting merchant banks, credit information for providing credits to the taxing authorities, merchant information, and tax authority information. It also shows receiving transaction data about a taxable transaction for a plurality of merchants including first transaction information received from a first merchant computer (col. 3, lns. 19-30). It further shows debiting a merchant bank and crediting a tax authority to pay the merchant's tax (Fig. 1; col. 5, lines 7-12) and providing reports (col. 7, lns. 35-40). Golden et al do not show that the transaction information is related to an ecommerce purchase; that the first transaction information is sent at the same time as the first transaction; or that the first tax amount is for the first transaction. Francisco et al show first transaction data sent immediately to a tax system and first tax amount transferred for the first transaction (see abstract, col. 6, lns. 15-21). It would have been obvious to one of ordinary skill in the art to modify the system of Golden et al by immediately sending the transaction data and a first tax amount to minimize the chance of the data being lost due to a crash of the merchant computer. Fulton et al show a transaction in an ecommerce environment. It would have been obvious to one of ordinary skill in the art to further modify the system of Golden et al by using it in an ecommerce environment as

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taught by Fulton et al in order to allow easy capture of use taxes in the multi-jurisdictional environment of the internet.

As to claims 13 and 21, it is noted that Golden et al show main tax gateway 12 and a plurality of distributed tax gateways 30 (see Fig. 2) in communication with the main gateway. The main tax gateway has a controlling subsystem comprising processing circuits and memory subsystems comprising RAM and hard drive since the gateway is a computer. It is inherent that the stored information would be stored in the memory subsystem since that is how a computer maintains data.

As to claim 43, the system of Golden et al can automatically transfer funds from the merchant's bank to the taxing authority bank (col. 7, lines 45-52). Therefore it is inherent that Golden et al has a controlling subsystem with a tax management system capable of carrying out such transfers.

As to claim 44, it is noted that Fulton et al show ACH transfers.

***Allowable Subject Matter***

11. Claim 48 is objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

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*Response to Arguments*

12. Applicant's arguments with respect to claims 12-21 have been considered but are moot in view of the new ground(s) of rejection.

*Conclusion*

13. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

14. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

6,360,208 shows tax payment tracking.

“AT&T SecureBuy Service...” shows service for calculating sales tax online.

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"Earnings Up ..." shows an Econex system offering service of tax calculation and address verification.

"Tax News" shows online tax calculation service.

"Hat Trick" shows online tax calculation service for a fee.

"Cybersource Drives Globalization ..." tax calculation service.

"Heartland Payment Systems ..." shows online tax calculation service.

15. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Steven B. McAllister whose telephone number is (703) 308-7052.



Steven B. McAllister

November 22, 2002